

NMI Holdings, Inc.

Non-GAAP reconciliation

	Third Quarter 9/30/2019		Fourth Quarter 12/31/2019		First Quarter 3/31/2020		Second Quarter 6/30/2020		Third Quarter 9/30/2020		Fourth Quarter 12/31/2020		First Quarter 3/31/2021		Second Quarter 6/30/2021		Third Quarter 9/30/2021	
(\$ in thousands, except per share values)																		
As Reported:																		
Revenues																		
Net premiums earned	\$	92,381	\$	95,517	\$	98,717	\$	98,944	\$	98,802	\$	100,709	\$	105,879	\$	110,888	\$	113,594
Net Investment Income		7,882		7,962		8,104		7,070		8,337		8,386		8,814		9,382		9,831
Net realized investment gains (losses)		81		264		(72)		711		(4)		295		-		12		3
Other revenues		1,244		1,154		900		1,223		648		513		501		483		613
Total revenues	\$	101,588	\$	104,897	\$	107,649	\$	107,948	\$	107,783	\$	109,903	\$	115,194	\$	120,765	\$	124,041
Expenses																		
Insurance claims and claims expenses	\$	2,572	\$	4,269	\$	5,697	\$	34,334	\$	15,667	\$	3,549	\$	4,962	\$	4,640	\$	3,204
Underwriting and operating expenses		32,335		31,296		32,277		30,370		33,969		34,994		34,065		34,725		34,669
Service expenses		909		937		734		1,090		557		459		591		481		787
Interest expense		2,979		2,974		2,744		5,941		7,796		7,906		7,915		7,922		7,930
(Gain) loss from change in fair value of warrant liability		(1,139)		2,632		(5,959)		1,236	\$	437		1,379		205		(658)		-
Total expenses	\$	37,656	\$	42,108	\$	35,493	\$	72,971	\$	58,426	\$	48,287	\$	47,738	\$	47,110	\$	46,590
Income before income taxes	\$	63,932	\$	62,789	\$	72,156	\$	34,977	\$	49,357	\$	61,616	\$	67,456	\$	73,655	\$	77,451
Income tax expense		14,169		12,594		13,885		8,129		11,178		13,348		14,565		16,133		17,258
Net income	\$	49,763	\$	50,195	\$	58,271	\$	26,848	\$	38,179	\$	48,268	\$	52,891	\$	57,522	\$	60,193
Adjustments:																		
(Gain) loss from change in fair value of warrant liability	\$	(1,139)	\$	2,632	\$	(5,959)	\$	1,236	\$	437	\$	1,379	\$	205	\$	(658)	\$	-
Capital markets transaction costs		1,689		-		474		2,790		2,254		1,719		378		1,615		481
Net realized investment (gains) losses		(81)		(264)		72		(711)		4		(295)		-		(12)		(3)
Other Infrequent, unusual or non-operating items		-		-		-		-		-		-		-		-		1,289
Adjusted Income before income taxes	\$	64,401	\$	65,157	\$	66,743	\$	38,292	\$	52,052	\$	64,419	\$	68,039	\$	74,600	\$	79,218
Income tax expense (benefit) on adjustments	\$	338	\$	(55)	\$	115	\$	437	\$	474	\$	299	\$	79	\$	337	\$	139
Adjusted Net income	\$	49,894	\$	52,618	\$	52,743	\$	29,726	\$	40,400	\$	50,772	\$	53,395	\$	58,130	\$	61,821
Weighted average diluted shares outstanding – Adjusted																		
Weighted average diluted shares outstanding		70,137		70,276		70,401		74,174		85,599		86,250		86,487		86,819		86,880
Dilutive effect of non-vested shares and warrants		-		-		-		-		-		-		-		-		-
Weighted average diluted shares outstanding – Adjusted		70,137		70,276		70,401		74,174		85,599		86,250		86,487		86,819		86,880
Diluted EPS – Reported	\$	0.69	\$	0.71	\$	0.74	\$	0.36	\$	0.45	\$	0.56	\$	0.61	\$	0.65	\$	0.69
Diluted EPS – Adjusted	\$	0.71	\$	0.75	\$	0.75	\$	0.40	\$	0.47	\$	0.59	\$	0.62	\$	0.67	\$	0.71
Shareholders' equity																		
Return on equity – Reported		23.6%		22.3%		24.5%		9.6%		11.9%		14.4%		15.4%		16.2%		16.2%
Return on equity – Adjusted		23.7%		23.3%		22.1%		10.7%		12.6%		15.2%		15.5%		16.4%		16.6%
Expense ratio - Reported																		
Expense ratio - Adjusted		33.2%		32.8%		32.2%		30.5%		32.1%		33.0%		31.8%		29.9%		29.0%
Loss ratio - Reported and Adjusted		2.8%		4.5%		5.8%		34.7%		15.9%		3.5%		4.7%		4.2%		2.8%
Combined ratio - Reported		37.8%		37.2%		38.5%		65.4%		50.2%		38.3%		36.9%		35.5%		33.3%
Combined ratio - Adjusted		36.0%		37.2%		38.0%		65.2%		48.0%		36.6%		36.5%		34.0%		31.8%